
From: Sukys, Raymond <FTA>
To: Fisher, Ronald <FTA>
CC: Luu, Catherine <FTA>; Marler, Renee <FTA>; Matley, Ted <FTA>; Rogers, Leslie <FTA>; Nguyen, Kim <FTA>; Zakel, Anthony <FTA>; Day, Elizabeth <FTA>; Ryan, James <FTA>; James, Aaron <FTA>; OConnor, Mike <FTA>; Tahir, Nadeem <FTA>; Carranza, Edward <FTA>; Ossi, Joseph <FTA>
Sent: 6/12/2008 9:24:00 AM
Subject: RE: Honolulu update

Hi everyone,

Yesterday, we had a NEPA update with the rapid transit staff and their consultants. The highlights of their presentation are:

- The airport spur would begin from Middle Street station and go to the airport without an intermediate station at Lagoon drive.
- They have not identified funding for the spur however they noted that the State's administration fee on the excise tax, which is considered excessive at 10%, might be a partial source. They very clearly indicated that they do not have enough funds for the spur.
- They said they would include this option as a design option on the larger airport alternative. We expect that this spur will be fully studied to allow an amendment to the ROD if funding becomes available.
- They were cautious about updates to the financial plan and whether Ben Porter's review included those updates.
- They re-configured the Ala Moana Center station to a lower (40 feet) station thus reducing a rather substantial amount of cost. However, these costs do not disappear, they are deferred to the future extension budget, since they will have to elevate the guideway with a spur back to 70 feet to avoid the center for eventual expansion to Waikiki and U of H.
- The process for the technology decision with the city council still is not complete and has about 15 to 30 days to go.
- They have delayed the submission of the administrative DEIS by one month to August.
- The NEPA staff do not have a good feel about what is going on with the forecasting issues and actually seemed to not know what the July 10 meeting is about.
- Some thought was given to scheduling a meeting this August in SF for additional briefings on the project and DEIS which might include the PMOC.

Thank you,

Ray

-----Original Message-----

From: Fisher, Ronald <FTA>
Sent: Thursday, June 12, 2008 8:17 AM
To: Carranza, Edward <FTA>
Cc: Luu, Catherine <FTA>; Marler, Renee <FTA>; Matley, Ted <FTA>; Rogers, Leslie <FTA>; Sukys, Raymond <FTA>; Nguyen, Kim <FTA>; Zakel, Anthony <FTA>; Day, Elizabeth <FTA>; Ryan, James <FTA>; James, Aaron <FTA>; OConnor, Mike <FTA>; Tahir, Nadeem <FTA>
Subject: RE: Honolulu

All,

I was going to send out a status report to you today on what I know about the project, so getting this information is timely. One question I am posing at the end of this is when we can begin the larger cost review for the project.

At APTA's Rail conference last week I learned for the first time that instead of studying two alignments for the project that would either use Salt Lake Blvd. or further an alignment south to the airport, a spur is now planned beginning at the airport and heading east terminating at Ala Moana Center. This line would be in addition to the chosen one beginning at Kapolei using the Salt Lake City alignment terminating at Ala Moana Center. I learned that from a presentation by the Honolulu mayor who was one of the luncheon speakers, not exactly the way we should be receiving information about the project.

Just before I left for the rail conference we had a call with our consultant who reviewed the financial plan. The bottom line is that the plan has an acceptable rating, but the match of revenues and costs for both capital and operating is close enough that we will mention a number of concerns that will need to be addressed in PE. Briefly they are excise tax growth for the past 16 years has been 3.0% versus 4.1% assumed in their forecasts (they gave more weight to excise growth for the past 6 years which has been 6.7%), \$178m in excise tax revenues assumed to be collected in 2008 versus \$135m used in City budgets, an existing general obligation ceiling of 20% must be raised to 30% to address 2019 requirements imposed by this project, an increase in transit subsidies as a percentage of the general and highway fund revenue from 10.9% (1994-2007) to 18% by 2019, and fares have been assumed to increase to adhere to the Council's mandate for 27-33% fare recovery, but ridership has not been adjusted to account for the effect of increasing fares above inflation. The addition of the spur to the project likely raises project costs a bit and makes the match of their revenues and costs more challenging. And the economy there is very sensitive to tourism, which could be affected by increasing fares to the island. Nevertheless their financial plan is OK for this stage of project development.

There is a meeting scheduled on the travel forecasts here for July 10. Once we have that we will have a better sense as to the reasonability of the service plans for the alternatives. We have requested those service plans to be available at the meeting. We still do not have any information for O&M costs, but have made the project sponsor aware that we are waiting for that.

These are the highlights as I understand them. No one has told me that a cost review will be initiated but I think that it should be. Previously TPM-20 said they would direct that effort. Could someone from TPM-20 tell us the status of that? If anyone else has information or comments to add, please do so.

Thanks,
Ron

-----Original Message-----

From: Carranza, Edward <FTA>

Sent: Thursday, June 12, 2008 10:29 AM

To: Fisher, Ronald <FTA>

Cc: Luu, Catherine <FTA>; Marler, Renee <FTA>; Matley, Ted <FTA>; Rogers, Leslie <FTA>; Sukys, Raymond <FTA>; Nguyen, Kim <FTA>; Zakel, Anthony <FTA>; Day, Elizabeth <FTA>; Ryan, James <FTA>; James, Aaron <FTA>; OConnor, Mike <FTA>; Tahir, Nadeem <FTA>

Subject: RE: honolulu

FYI to our New Starts team leader and members for this project. Ray appropriately reminded the Honolulu folks yesterday of the importance to not lose sight of the need to resolve any outstanding modeling issues as well. They stated they plan on visiting with Jim R on this very subject.